

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2854 - SB 2709**

March 2, 2022

**SUMMARY OF BILL:** Requires a full-time or part-time employee of a public school to receive up to 10 days of COVID-19 paid sick leave for the 2020-2021 and 2021-2022 school years. Requires the Department of Education (DOE) to amend the state's American Rescue Plan (ARP) and Elementary and Secondary School Emergency Relief (ESSER) plan to use a portion of the funds received to allow full-time and part-time employees of early childhood education programs to receive up to 10 days of COVID-19 paid sick leave.

**FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$1,050,000/FY21-22**

**Other Fiscal Impact – There will be a shift of state dollars within the Department of Education to accommodate the federal ARP ESSER funds being used for paid sick leave for early childhood education program employees. The exact amount of necessary funding is unknown.**

**Assumptions:**

- COVID-19 paid sick leave funding to LEAs would be contingent on a number of factors, including infection, quarantine, and vaccination rates for the prior and current school year.
- Due to a number of unknown factors, the exact cost of providing paid sick leave to all full- and part-time employees of public schools cannot be quantified but is reasonably estimated to exceed \$1,000,000 in FY21-22.
- The Department of Children's Services (DCS) currently has 20 teaching positions at Wilder Youth Development Center who will also qualify for paid sick leave under the provisions of the bill. The exact amount of time which will be requested is unknown but is estimated to exceed \$50,000 in FY21-22.
- The state's ARP ESSER reserve is \$248,763,808 and these funds are intended to be obligated within 12 months of Tennessee's award to address state needs through September 2024.
- Under the proposed legislation, DOE would no longer have this revenue available for statewide needs; instead, it would be used to increase amounts awarded to local education agencies (LEAs) for COVID-19 paid sick leave.
- The funds would be applied retroactively for the 2020-21 school and for the current and remaining 2021-22 school year.

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- COVID-19 paid sick leave for early childhood personnel would be contingent upon several factors including position, salary, and hours worked.
- Since the bill requires federal funds to be used to the paid sick leave for early childhood education program employees, the DOE will have to shift state funds to cover incurred costs related to ARP ESSER obligations. The exact amount of state funds which will be shifted is unknown.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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